

RESOLUTION

C-2014-30

INTRODUCING: Conor O'Daniel
COMMITTEE: Finance

**A Resolution of the Common Council of the City of Evansville Confirming
the Declaration of an Economic Revitalization Area for Property Tax Phase-In
for the Transfer of Tax Abatement for the Relocation of Existing Manufacturing
Equipment**

Sugar Steel Corporation
(5401 Highway 41 North, Evansville, IN)
Formerly located at 3350 Claremont Avenue
Evansville, IN 47712

WHEREAS, Sugar Steel Corporation (the "Applicant") has made application for Economic Revitalization Area designation, pursuant to IC 6-1.1-12.1 et seq and Evansville Common Council Resolution C-2002-3 As Amended (the "Tax Phase-In Resolution"), for the property located at: See Section 1; and

WHEREAS, heretofore under provisions of Resolution C-2002-3 As Amended, the Common Council of the City of Evansville found the above-described property to meet the requirements of an Economic Revitalization Area pursuant to IC 6-1.1-12.1 et seq and declared said property to be an Economic Revitalization Area; and

WHEREAS, notice of the adoption and substance of the above mentioned resolution has been published in accordance with IC 5-3-1 and the Common Council of the City of Evansville has conducted a public hearing as of the date hereof to determine whether the qualifications for an economic revitalization area have been met; and

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of Evansville as follows:

Section 1. The property known as 5401 Highway 41 North, Evansville, IN and more particularly described as follows:

82-06-04-034-298.004-020

have been found to meet the qualifications for an economic revitalization area as outlined in IC 6-1.1-12.1.

Section 2. Resolution C-2014-24 adopted by the Common Council on August 25, 2014, is hereby confirmed.

Section 3. The transfer of existing abatement for project outlined in the Statement of Benefits submitted by and dated February 15, 2011, and establishing the economic revitalization area in the Statement of Benefits submitted by and dated June 11, 2014 is hereby approved.

Section 4. This Resolution shall be in full force and effect from and after its passage by the Common Council, signing by the Mayor, and advertisement, if any, as required by law.

FILED

SEP 03 2014

Anna W. Winkler
CITY CLERK

PASSED BY the Common Council of the City of Evansville, Indiana, on the 22 day of September, 2014, on said day signed by the President of the Common Council and attested by the City Clerk.



President of the Common Council, John Friend


ATTEST: Laura Windhorst
Laura Windhorst, City Clerk

Presented by me, the undersigned City Clerk of the City of Evansville, Indiana, to the Mayor of said city, this 23 day of September, 2014, for his consideration and action thereon.

Laura Windhorst

Laura Windhorst, City Clerk
City of Evansville, Indiana

Having examined the foregoing resolution, I do now, as Mayor of the City of Evansville, Indiana, approve said resolution and return the same to the City Clerk this 24th day of September, 2014.



Lloyd Winnecke, Mayor
City of Evansville, Indiana

APPROVED AS TO FORM
BY TED ZIEMER, CORPORATION COUNSEL



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R/1-06)

Prescribed by the Department of Local Government Finance

Rec'd
2/15/11
D.P. Dewey
GAGE

FORM SB-1 / PP

PRIVACY NOTICE

The cost and any specific individual's salary information is confidential; the balance of the filing is public record per IC 6-1.1-12.1-5.1 (c) and (d).

INSTRUCTIONS:

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction. "Projects" planned or committed to after July 1, 1987, and areas designated after July 1, 1987, require a STATEMENT OF BENEFITS. (IC 6-1.1-12.1)
2. Approval of the designating body (City Council, Town Board, County Council, etc.) must be obtained prior to installation of the new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment, BEFORE a deduction may be approved
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved after June 30, 1991, must submit Form CF-1 / PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. The schedules established under IC 6-1.1-12.1-4.5(d) and (e) apply to equipment installed after March 1, 2001. For equipment installed prior to March 2, 2001, the schedules and statutes in effect at the time shall continue to apply. (IC 6-1.1-12.1-4.5(f) and (g))

SECTION 1		TAXPAYER INFORMATION							
Name of taxpayer Sugar Steel Corporation									
Address of taxpayer (number and street, city, state, and ZIP code) 2521 State Street, Chicago Heights, IL 60491									
Name of contact person Steven Dimovski		Telephone number (708) 757-9500							
SECTION 2		LOCATION AND DESCRIPTION OF PROPOSED PROJECT							
Name of designating body GAGE		Resolution number (s)							
Location of property 3350 Claremont Ave, Evansville, IN 47712		County Vanderburgh	DLGF taxing district number						
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (use additional sheets if necessary) Saw with handling equipment Shotblaster		ESTIMATED							
		START DATE	COMPLETION DATE						
		Manufacturing Equipment	07/01/2011 12/31/2012						
		R & D Equipment							
		Logist Dist Equipment							
IT Equipment		12/27/2010	03/31/2011						
SECTION 3				ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number	Salaries	Number retained	Salaries	Number additional	Salaries				
		3	125,000.00/YR	14	493,920.00/YR				
SECTION 4				ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT					
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.		MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
		COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values									
Plus estimated values of proposed project		900,000.00	900,000.00					20,000.00	20,000.00
Less values of any property being replaced									
Net estimated values upon completion of project		900,000.00	900,000.00					20,000.00	20,000.00
SECTION 5				WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER					
Estimated solid waste converted (pounds)				Estimated hazardous waste converted (pounds)					
Other benefits: n/a									
SECTION 6				TAXPAYER CERTIFICATION					
I hereby certify that the representations in this statement are true.									
Signature of authorized representative <i>Michael A. Spivey, President</i>		Title President		Date signed (month, day, year) 02/15/2011					

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed 5 calendar years * (see below). The date this designation expires is 12-31-15.

B. The type of deduction that is allowed in the designated area is limited to:

1. Installation of new manufacturing equipment;
2. Installation of new research and development equipment;
3. Installation of new logistical distribution equipment.
4. Installation of new information technology equipment;

☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No
☐ Yes ☐ No

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

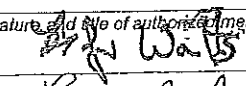
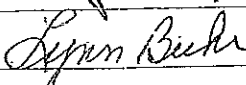
G. Other limitations or conditions (specify) _____

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction on or after July 1, 2000, is allowed for:

- ☐ 1 year ☐ 6 years
☐ 2 years ☐ 7 years
☐ 3 years ☐ 8 years
☐ 4 years ☐ 9 years
☐ 5 years ** ☐ 10 years **

** For ERA's established prior to July 1, 2000, only a 5 or 10 year schedule may be deducted.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved: (signature and title of authorized member) 	Telephone number <u>812-436-4993</u>	Date signed (month, day, year) <u>3-28-11</u>
Attested by: 	Designated body <u>CITY COUNCIL</u>	

* If the designating body limits the time period during which an area is an economic revitalization area, it does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years designated under IC 6-1.1-12.1-4.5



STATEMENT OF BENEFITS PERSONAL PROPERTY

State Form 51764 (R3 / 12-13)

Prescribed by the Department of Local Government Finance

FORM SB-1 / PP

PRIVACY NOTICE

Any information concerning the cost of the property and specific salaries paid to individual employees by the property owner is confidential per IC 6-1.1-12.1-5.1.

INSTRUCTIONS

1. This statement must be submitted to the body designating the Economic Revitalization Area prior to the public hearing if the designating body requires information from the applicant in making its decision about whether to designate an Economic Revitalization Area. Otherwise this statement must be submitted to the designating body BEFORE a person installs the new manufacturing equipment and/or research and development equipment, and/or logistical distribution equipment and/or information technology equipment for which the person wishes to claim a deduction.
2. The statement of benefits form must be submitted to the designating body and the area designated an economic revitalization area before the installation of qualifying abatable equipment for which the person desires to claim a deduction.
3. To obtain a deduction, a person must file a certified deduction schedule with the person's personal property return on a certified deduction schedule (Form 103-ERA) with the township assessor of the township where the property is situated or with the county assessor if there is no township assessor for the township. The 103-ERA must be filed between March 1 and May 15 of the assessment year in which new manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment is installed and fully functional, unless a filing extension has been obtained. A person who obtains a filing extension must file the form between March 1 and the extended due date of that year.
4. Property owners whose Statement of Benefits was approved, must submit Form CF-1/PP annually to show compliance with the Statement of Benefits. (IC 6-1.1-12.1-5.6)
5. For a Form SB-1/PP that is approved after June 30, 2013, the designating body is required to establish an abatement schedule for each deduction allowed. For a Form SB-1/PP that is approved prior to July 1, 2013, the abatement schedule approved by the designating body remains in effect. (IC 6-1.1-12.1-17)

SECTION 1 TAXPAYER INFORMATION	
Name of taxpayer Sugar Steel Corporation	Name of contact person Cynthia L. DeGan
Address of taxpayer (number and street, city, state, and ZIP code) 2521 State Street Chicago Heights, Illinois 60411	
Telephone number (708) 757-9500	

SECTION 2 LOCATION AND DESCRIPTION OF PROPOSED PROJECT			
Name of designating body GAGE		Resolution number (s) C-2011-11	
Location of property 5401 Highway 41 North		County Vanderburgh	DLGF taxing district number 82019
Description of manufacturing equipment and/or research and development equipment and/or logistical distribution equipment and/or information technology equipment. (Use additional sheets if necessary.) New Cranes, New Press Brake, Bandsaw and Shear, Crane Hoist and Assembly, New Shotblaster and other miscellaneous equipment.		ESTIMATED	
		START DATE	COMPLETION DATE
		Manufacturing Equipment	N/A
		R & D Equipment	
		Logist Dist Equipment	
IT Equipment		N/A	N/A

SECTION 3 ESTIMATE OF EMPLOYEES AND SALARIES AS RESULT OF PROPOSED PROJECT					
Current number	Salaries	Number retained	Salaries	Number additional	Salaries
		3	125000.00	32	1160818.00

SECTION 4 ESTIMATED TOTAL COST AND VALUE OF PROPOSED PROJECT								
NOTE: Pursuant to IC 6-1.1-12.1-5.1 (d) (2) the COST of the property is confidential.	MANUFACTURING EQUIPMENT		R & D EQUIPMENT		LOGIST DIST EQUIPMENT		IT EQUIPMENT	
	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE	COST	ASSESSED VALUE
Current values								
Plus estimated values of proposed project	900,000	900,000					20,000	20,000
Less values of any property being replaced								
Net estimated values upon completion of project								

SECTION 5 WASTE CONVERTED AND OTHER BENEFITS PROMISED BY THE TAXPAYER	
Estimated solid waste converted (pounds)	Estimated hazardous waste converted (pounds)
Other benefits:	

SECTION 6 TAXPAYER CERTIFICATION	
I hereby certify that the representations in this statement are true.	
Signature of authorized representative Cheryl Kief	Date signed (month, day, year) 6/11/2014
Printed name of authorized representative Cheryl Kief	Title Controller

FOR USE OF THE DESIGNATING BODY

We have reviewed our prior actions relating to the designation of this economic revitalization area and find that the applicant meets the general standards adopted in the resolution previously approved by this body. Said resolution, passed under IC 6-1.1-12.1-2.5, provides for the following limitations as authorized under IC 6-1.1-12.1-2.

A. The designated area has been limited to a period of time not to exceed 12/31/2014 calendar years * (see below). The date this designation expires is 12/31/2014.

B. The type of deduction that is allowed in the designated area is limited to:

- | | |
|--|--|
| 1. Installation of new manufacturing equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 2. Installation of new research and development equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 3. Installation of new logistical distribution equipment. | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| 4. Installation of new information technology equipment; | <input type="checkbox"/> Yes <input type="checkbox"/> No |

C. The amount of deduction applicable to new manufacturing equipment is limited to \$ _____ cost with an assessed value of \$ _____.

D. The amount of deduction applicable to new research and development equipment is limited to \$ _____ cost with an assessed value of \$ _____.

E. The amount of deduction applicable to new logistical distribution equipment is limited to \$ _____ cost with an assessed value of \$ _____.

F. The amount of deduction applicable to new information technology equipment is limited to \$ _____ cost with an assessed value of \$ _____.

G. Other limitations or conditions (specify) Transfer of existing abated equipment from Clayman Ave.

H. The deduction for new manufacturing equipment and/or new research and development equipment and/or new logistical distribution equipment and/or new information technology equipment installed and first claimed eligible for deduction is allowed for:

- | | | | | | |
|---------------------------------|---------------------------------|---------------------------------|---------------------------------|--|---------------|
| <input type="checkbox"/> Year 1 | <input type="checkbox"/> Year 2 | <input type="checkbox"/> Year 3 | <input type="checkbox"/> Year 4 | <input checked="" type="checkbox"/> Year 5 | (see below *) |
| <input type="checkbox"/> Year 6 | <input type="checkbox"/> Year 7 | <input type="checkbox"/> Year 8 | <input type="checkbox"/> Year 9 | <input type="checkbox"/> Year 10 | |

I. For a Statement of Benefits approved after June 30, 2013, did this designating body adopt an abatement schedule per IC 6-1.1-12.1-17? ☐ Yes ☐ No
If yes, attach a copy of the abatement schedule to this form.
If no, the designating body is required to establish an abatement schedule before the deduction can be determined.

Also we have reviewed the information contained in the statement of benefits and find that the estimates and expectations are reasonable and have determined that the totality of benefits is sufficient to justify the deduction described above.

Approved by: (signature and title of authorized member of designating body)	Telephone number ()	Date signed (month, day, year)
Printed name of authorized member of designating body	Name of designating body	
Attested by: (signature and title of attester)	Printed name of attester	

* If the designating body limits the time period during which an area is an economic revitalization area, that limitation does not limit the length of time a taxpayer is entitled to receive a deduction to a number of years that is less than the number of years designated under IC 6-1.1-12.1-17.

IC 6-1.1-12.1-17

Abatement schedules

Sec. 17. (a) A designating body may provide to a business that is established in or relocated to a revitalization area and that receives a deduction under section 4 or 4.5 of this chapter an abatement schedule based on the following factors:

- (1) The total amount of the taxpayer's investment in real and personal property.
- (2) The number of new full-time equivalent jobs created.
- (3) The average wage of the new employees compared to the state minimum wage.
- (4) The infrastructure requirements for the taxpayer's investment.

(b) This subsection applies to a statement of benefits approved after June 30, 2013. A designating body shall establish an abatement schedule for each deduction allowed under this chapter. An abatement schedule must specify the percentage amount of the deduction for each year of the deduction. An abatement schedule may not exceed ten (10) years.

(c) An abatement schedule approved for a particular taxpayer before July 1, 2013, remains in effect until the abatement schedule expires under the terms of the resolution approving the taxpayer's statement of benefits.



Greater Evansville Economic Development

318 Main Street, Suite 500
Evansville, Indiana 47708
Phone: 812.401.4243
www.GrowthAllianceEvv.com

September 2, 2014

One N.W. Martin Luther King, Jr. Blvd.
Civic Center Complex
Evansville, IN 47708

Honorable City Council,

In this packet, you will find the confirming resolution for the establishment of an economic revitalization area for transfer of the existing abatement for Sugar Steel's launch in 2011. Additionally, I have attached the Statement of Benefits (SB-1) that established the tax phase-in and a new SB-1 that allows for the transfer of the equipment that was being abated at the Claremont location.

In 2011, Sugar Steel was granted a 5 year personal property tax phase-in. To fit their expansion needs, Sugar Steel has recently moved their operations into Park 41, the former whirlpool complex, from 3350 Claremont Avenue. Said company is desirous of moving their existing personal property abatement to their new location. Indiana code does allow for this type of transfer by: IC 6-1.1-12.1-4.6

Because Park 41 is not an existing economic revitalization area (ERA), the council must designate the ERA to allow transfer of abatement (No new abatement will result because of the creation of the ERA). Sugar Steel has:

- Doubled their estimated employment count (Estimated- 17; Current employees- 35)
- Invested more than originally projected (Estimated- \$900,000.00; Actual- \$1,348,513.00)

If you have any additional questions, please do not hesitate to ask.

Best regards,


Shance Sizemore
Economic Development Programs Manager

FILED

SEP 03 2014


CITY CLERK